

Message Text

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22

ACTION EB-07

INFO OCT-01 AF-08 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00

FMC-01 INR-07 NSAE-00 SAL-01 CG-00 DLOS-06 OES-06

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FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 6774

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E.O. 11652: N/A

TAGS: EWWT, NI

SUBJECT: AEROMARITIME COMPANY FACES NEW PORT CONTRACT BATTLE

REF: LAGOS 9327

1. AFTER SEVERAL MONTHS OF WARNINGS, MIN OF TRANSPORT LAST WEEK NOTIFIED AEROMARITIME CORP THAT CURRENT CONTRACT WOULD BE TERMINATED SEPT. 15, AND A NEW CONTRACT MADE UP. RATIONALE IS THAT ORIGINAL DOLLARS 37 MILLION CONTRACT WAS MUCH TOO GENEROUS HAVING BEEN INACCURATELY BASED ON INFLATED CEMENT HAULAGE ESTIMATES. THE FACT THAT THE FMG MADE THESE ESTIMATES DOES NOT MITIGATE THE TERMINATION ORDER. OTHER PORT DECONGESTION CONTRACTOR, LEBANESE-NIGERIAN-OWNED MANAGEMENT ENTERPRISES LTD., RECEIVED SIMILAR INSTRUCTIONS.

2. ORIGINAL FEE STRUCTURE CONSISTED OF DOLLARS 11.1 MILLION MOBILIZATION FEE PLUS PAYMENT OF DOLLARS 18 PER EACH TON OFFLOADED. 30 PERCENT OF LATTER UNIT FEE HAS BEEN DEDUCTED TO GRADUALLY PAY BACK MOBILIZATION FEE. ONLY 400,000 TONS OF ESTIMATED 2 MILLION TONS HAVE BEEN OFFLOADED. INCOMING CEMENT SHIPMENTS VIRTUALLY HALTED WHILE WAITING FOR NEW CEMENT SUPPLY CONTRACTS TO BE SIGNED WITH PRODUCERS. FMG ANNOUNCED LAST WEEK THAT NIGERIA WOULD NOW IMPORT CEMENT AGAIN.

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3. MIN TRANSPORT OFFERS NEW ARRANGEMENT BY WHICH AEROMARITIME WOULD

HAVE TO OFFLOAD 3000-5000 TONS PER DAY AND BE PAID ONLY PER DAY. NO
PAYMENT WOULD BE RECEIVED FOR DAYS IN WHICH COMPANY INACTIVE.
FIRM FINDS THIS ARRANGEMENT WHOLLY UNACCEPTABLE AND IS MEETING
TODAY WITH PERMSEC IBIE TO INSIST THAT REGULAR STANDBY FEE OF
HANDLING FEE PER TON WOULD BE NAIRA 8.50 IN ADDITION TO STANDBY
PAYMENT. AEROMARITIEM PRESIDENT ASHER IN LAGOS TO HANDLE
NEGOTIATIONS.
EASUM

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